

**Principles of Management**  
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**Lecture - 28**  
**Styles of Management - III**

So, in the previous section or the previous lecture we discussed about national culture and the differences which occurred defined by Hofstede like the long and short-term orientation and the high uncertainty and low uncertainty avoidance, achievement oriented, culture power distance, individualistic and collectivistic differences.

In this lecture I will be discussing about the impact of national culture on management styles, because global manager needs to understand the culture of different countries. The cultural sensitivity is important when you have a global operation, the management practices and the management styles need to be understood.

So, with this background, I will discuss about the importance of management styles, different types of management styles and how these management styles can be learned. So, with this I will discuss about certain learning objectives that is definition of management style.

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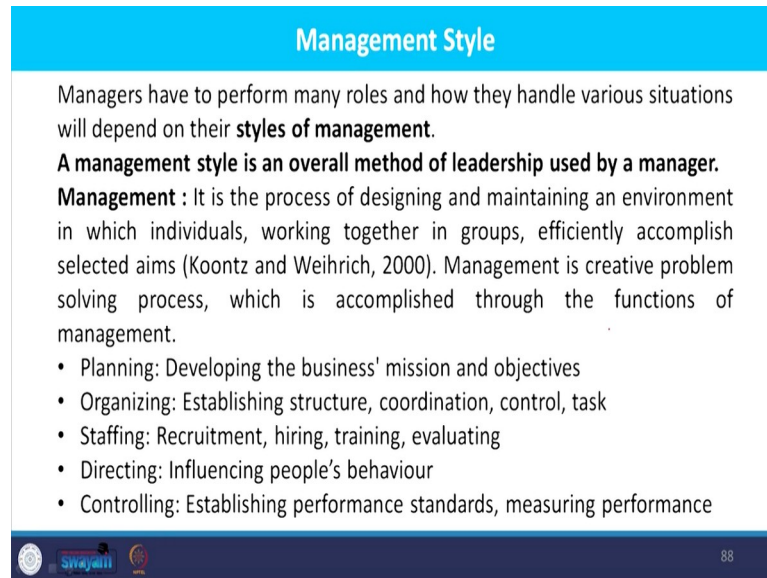
**Learning Objectives**

- Definition of management style
- Types of management style
- Introduction to Indian Management style
- Introduction to American management style
- Significance of American management style
- Introduction to Japanese management style
- Features of Japanese management style
- Introduction of Chinese management style
- Features of Chinese management style
- Indian vs American vs Japanese vs Chinese management style

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Various types of management style, introduction to Indian management style, then American management style, the significance of American management styles, Japanese styles of management, Chinese management styles in the international operations.

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**Management Style**

Managers have to perform many roles and how they handle various situations will depend on their **styles of management**.

**A management style is an overall method of leadership used by a manager.**

**Management** : It is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims (Koontz and Weihrich, 2000). Management is creative problem solving process, which is accomplished through the functions of management.

- Planning: Developing the business' mission and objectives
- Organizing: Establishing structure, coordination, control, task
- Staffing: Recruitment, hiring, training, evaluating
- Directing: Influencing people's behaviour
- Controlling: Establishing performance standards, measuring performance

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If they are not aware of the management styles adopted or practiced in different companies, there will be some problems, there would be barriers which has to be understood. So, therefore the management style has to be understood by the global managers. So, what is management style?

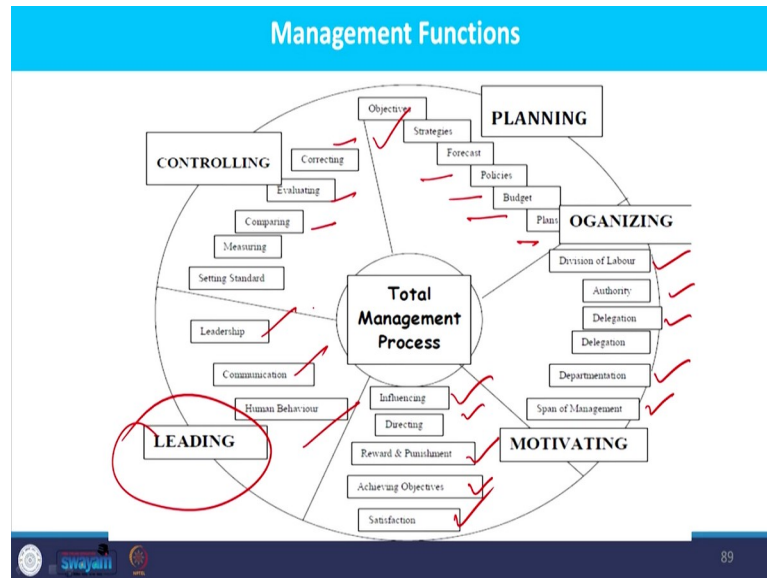
Now I will discuss about what exactly is the management style. Managers have to perform many roles; at times they are negotiating, they have to communicate, they are also listening with different forms, their information disseminators their spokespersons, they are also decision makers, they are sometimes playing the role of an entrepreneur.

So, managers play variety of roles and how they handle various situations will depend on their styles of management. So, *management style is an overall method of leadership to influence, to communicate, to motivate subordinates used by a manager*. What is management?

**Management is a process of designing and maintaining an environment which is conducive for people to work together in groups efficiently accomplish their objectives.** Management is creative problem solving which is accomplished through

functions like planning, organizing, directing, staffing, controlling. Planning is developing the business' missions and objectives. Organizing is establishing structure, coordination, control and task. Staffing is recruitment, hiring, training, evaluating. Directing is influencing people's behavior, motivating them. Controlling is establishing performance standards, measuring performance.

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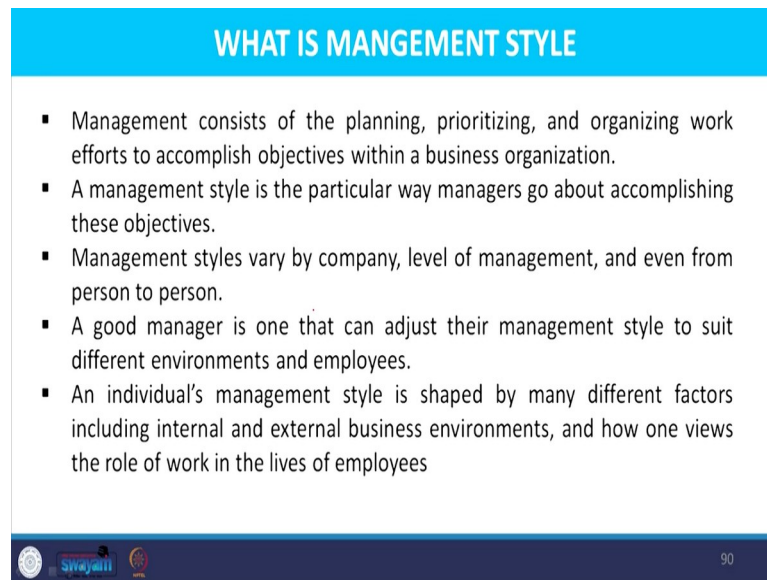


So, when we look at broader management functions: planning, organizing, motivating, leading, controlling. So, planning includes certain steps like objective setting, strategies, forecasting, policies, budgeting and setting plans. Organizing includes division of labor, authority, delegation, departmentalization, span of control.

And motivation includes influencing, directing, rewards set giving rewards and punishments, achievement objectives and satisfaction. The leading role includes leadership, communication and dealing with the human behavior. And controlling basically is correcting, evaluating, comparing, measuring, setting standards.

So, control measures are setting performance standards, measuring them, comparing it with the set standards, evaluating and correcting performance again and again. So, these are broadly the management functions.

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### WHAT IS MANGEMENT STYLE

- Management consists of the planning, prioritizing, and organizing work efforts to accomplish objectives within a business organization.
- A management style is the particular way managers go about accomplishing these objectives.
- Management styles vary by company, level of management, and even from person to person.
- A good manager is one that can adjust their management style to suit different environments and employees.
- An individual's management style is shaped by many different factors including internal and external business environments, and how one views the role of work in the lives of employees

What is management style? Management consists of planning, prioritizing, organizing work efforts to accomplish objectives within a business organization. So, *management style is particular way managers go about accomplishing these objectives. It is a particular approach to accomplish a particular accomplish an objective.*

Management styles may vary from company to company, levels of management, and even from person to person. **A good manager is one who can adjust management style or who can adapt to a particular environment and people.** An individual's management style is shaped by factors like internal external business environment, and how one views the role of work in the lives of employees.

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### Type of Management Styles

When considering career success, tangible qualities often come to mind, such as the type of work and salary. But one critical factor to your success is leadership style, both in how you manage people and how you like to be managed.

Effective managers can improve productivity and employee morale and reduce turnover. There are six widely agreed-upon types of management styles commonly used in today's business world.

**1. Autocratic managers:**

- Make decisions unilaterally, without input of subordinates.
- It can lead to faster decision-making
- This style of management can drive away employees who are looking for more ownership of decisions, and more autonomy.
- In times of crisis where time is limited, use of autocratic management is permissible, but extended periods could lead to high turnover.

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### Type of Management Styles

**2. Consultative Managers:**

- Consults employees, but ultimately the leader makes the final decision.
- Decisions attempt to take interests of the employees in account but also focus on the business.
- This type of management style often leads to loyalty from employees included in decision-making processes, but those who are left out are more likely to move on.
- It can also lead to a dependency of the employees on the leader.

**3. Persuasive Managers:**

- Maintains the final decision-making control. However, he or she makes choices based on the persuasion of subordinates.
- This is a great option for managers who need input from experts, but still can keep the final decision-making up to them.
- This does not work when employees do not support management and choose not to provide input or do not trust decisions that have been made.

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### Type of Management Styles

4. Democratic Managers:

- Offer employees an opportunity to engage in decision-making.
- All decisions are agreed upon by the majority.
- The communications go from both the manager down to employees and from the employees up to the managers.
- This style works when complex decisions must be made that have a variety of outcomes. However, democracy does slow down decision-making and could be inefficient at times.

5. **Laissez-faire** :

- Opposite of autocracy;
- Employees are allowed to make the majority of decisions, with management providing guidance when needed.
- The manager in this case is considered a mentor rather than a leader.
- This style of management is popular in startups and technology companies, where risk taking is encouraged. However, it can lead to difficulties in making decisions.




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### Type of Management Styles

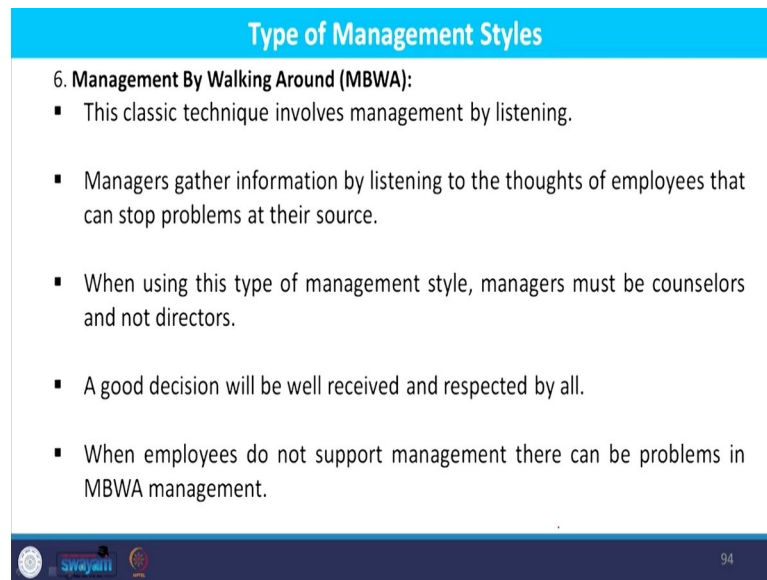
6. **Management By Walking Around (MBWA):**

- This classic technique involves management by listening.
- Managers gather information by listening to the thoughts of employees that can stop problems at their source.
- When using this type of management style, managers must be counselors and not directors.
- A good decision will be well received and respected by all.
- When employees do not support management there can be problems in MBWA management.



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- 6. Management By Walking Around (MBWA):
  - This classic technique involves management by listening.
  - Managers gather information by listening to the thoughts of employees that can stop problems at their source.
  - When using this type of management style, managers must be counselors and not directors.
  - A good decision will be well received and respected by all.
  - When employees do not support management there can be problems in MBWA management.

And types of management styles can be autocratic, consultative, persuasive, democratic, laissez-faire and management by walking around. Let us discuss what are these different types of management styles.

When considering career success, tangible qualities often come to mind, such as type of work, what type of work and salary. But one critical factor to the success is the leadership style, both in how you manage people and how you would like to be managed.

Effective managers can improve productivity and employee morale and reduce turnover. There are **6 agreed-upon types of management** which people generally adopt in contemporary business world. Autocratic managers: some managers are highly autocratic they make decisions unilaterally, independently without involving subordinates.

It can lead to faster decision-making. There is more centralization of power. The styles of management can drive away employees who are looking for more ownership of decisions, and more autonomy. In times of crisis when there is a lot of ambiguity, use of autocratic management style is permissible, but extended periods could lead to high turnover.

Somewhere centralization is of course, important in order to bring in routine and order. There is another management style which is called consultative managers. Consults

employees, they are consensus oriented, but ultimately the leader takes the final decision. Decisions attempt to take interest of the employees in account but also focus on the business.

There they recognize the contribution of employees, but ultimately the business objective becomes priority. This type of management style leads to loyalty from employees because their opinion is taken there this in the decision-making process, but those who are left out, those whose opinion is ignored or turned down may feel disgruntled. It can also lead to a dependency of the employees on the leader.

There is another management style called persuasive managers; persuasive management style maintains the final decision control. However, he or she makes choices based on the persuasion of subordinates and the teammates. This is a great option for managers who need input from experts, but still can keep the final decision-making.

So, persuasive managers generally are guided by the subordinates, they take views of subordinates or they are persuaded by the subordinates, but final decision-making lies with the manager. This does not work when employees do not support management and choose not to provide input or do not trust decisions that have been made.

Democratic managers offer employees an opportunity to engage in decision-making. There is decentralization of power; all decisions are agreed upon by majority. The manager does not hold power, but manager disseminates power and the communication go from the top the communication goes from both managers down to employees and from the employees to the managers.

There is a 2-way communication going from the manager down to employees and from employees to the manager. So, there is a free flow of information exchange. The style works best when there is a complex decision being taken, which requires ideas to be taken from different people at different level, which can lead to exchange of information sharing of knowledge and a free flow of communication.

Democratic values of course, slow down decision making and could be at times inefficient. In terms of r maybe in situations of high uncertainty, democratic managers may not function efficiently. Laissez-faire is a style of management, which is opposite of



autocracy; employees are allowed to make majority of decisions, with management providing guidance when needed.

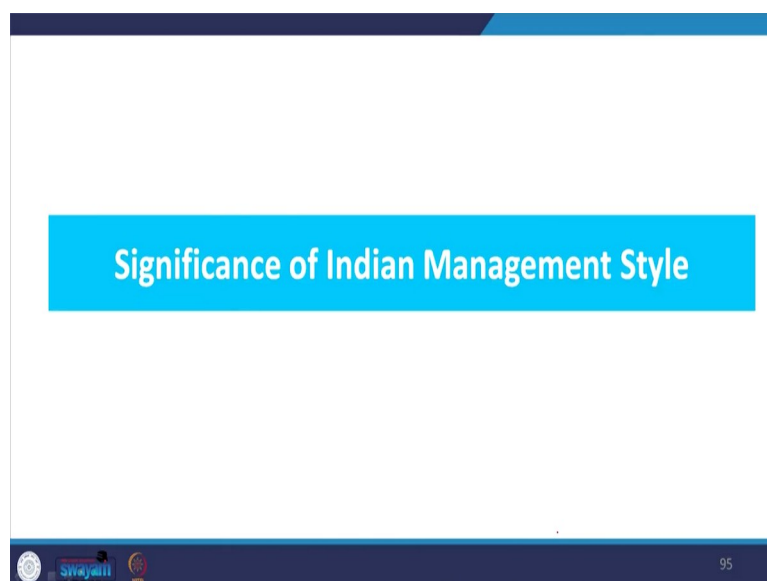
And the managers in this case is considered a mentor rather than a leader; they are more nurturing type of leaders who nurture subordinates; this style of management is popular in startups in technology-oriented companies whereas, there is high risk involved and chances of failure.

So, a laissez-faire leader or otherwise the free rein leaders can be efficient; it can lead to difficulties in making decisions. Management by walking around is also a different type of leadership style; the classic technique involved in management by listening. Where the leader emphasizes on listening the views of others. Managers gather information they listen to others to the thoughts of employees that can stop problems at their source.

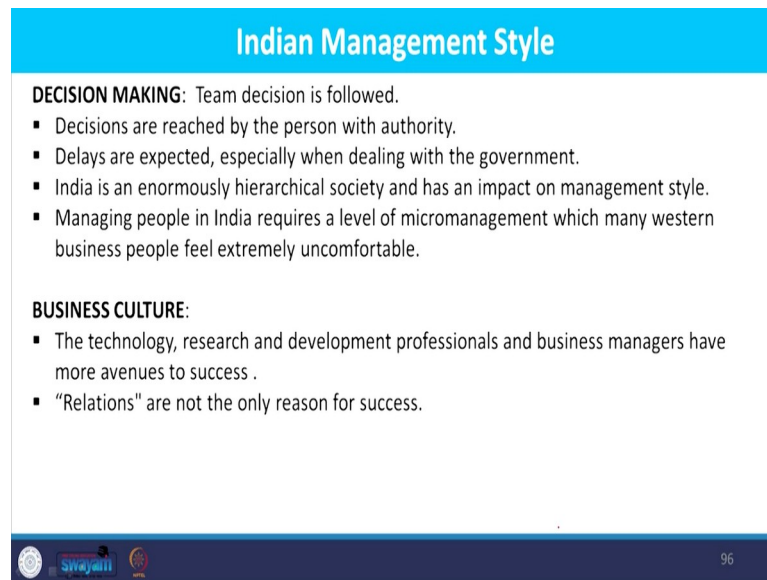
When using this type of style of management, managers must be counselors; they listen to the voice of others and they consult; they provide solutions. They do not dictate or they are not autocratic. A good decision will be received and respected by all. So, there is also a respect given or recognition given to the good decision.

So, when employees do not support management, there can be problem. So, at situations where there is massive resistance or there is no support to the manager. There are problems in management by walking around.

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**Indian Management Style**

**DECISION MAKING:** Team decision is followed.

- Decisions are reached by the person with authority.
- Delays are expected, especially when dealing with the government.
- India is an enormously hierarchical society and has an impact on management style.
- Managing people in India requires a level of micromanagement which many western business people feel extremely uncomfortable.

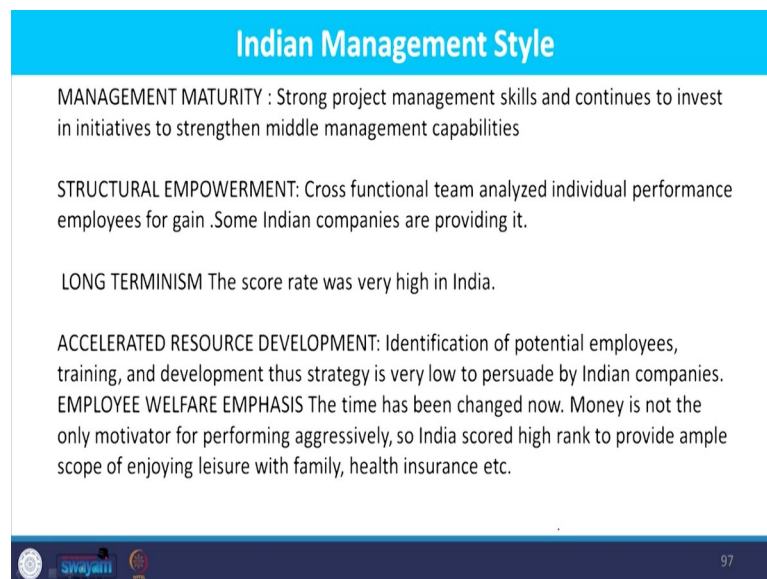
**BUSINESS CULTURE:**

- The technology, research and development professionals and business managers have more avenues to success .
- "Relations" are not the only reason for success.

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Now I will focus on significance of Indian management style.

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**Indian Management Style**

**MANAGEMENT MATURITY :** Strong project management skills and continues to invest in initiatives to strengthen middle management capabilities

**STRUCTURAL EMPOWERMENT:** Cross functional team analyzed individual performance employees for gain .Some Indian companies are providing it.

**LONG TERMINISM** The score rate was very high in India.

**ACCELERATED RESOURCE DEVELOPMENT:** Identification of potential employees, training, and development thus strategy is very low to persuade by Indian companies.

**EMPLOYEE WELFARE EMPHASIS** The time has been changed now. Money is not the only motivator for performing aggressively, so India scored high rank to provide ample scope of enjoying leisure with family, health insurance etc.

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There are some significant highlights: how would the decision making be? What is the business culture? What is management maturity level, structural empowerment level, long term or short-term orientation, accelerated resource development?

Indian management style is where team decision is followed, decisions are reached by person in the higher authority or more of centralization because of the Indian value

system which gives emphasis on the position power. Delays are expected, especially when dealing with the government.

There is some kind of or there is always a kind of delay; a time delay when there is involvement with some kind of with government agencies. India is enormously hierarchical society and has an impact on this hierarchical difference or the power distance is always reflected in the management style.

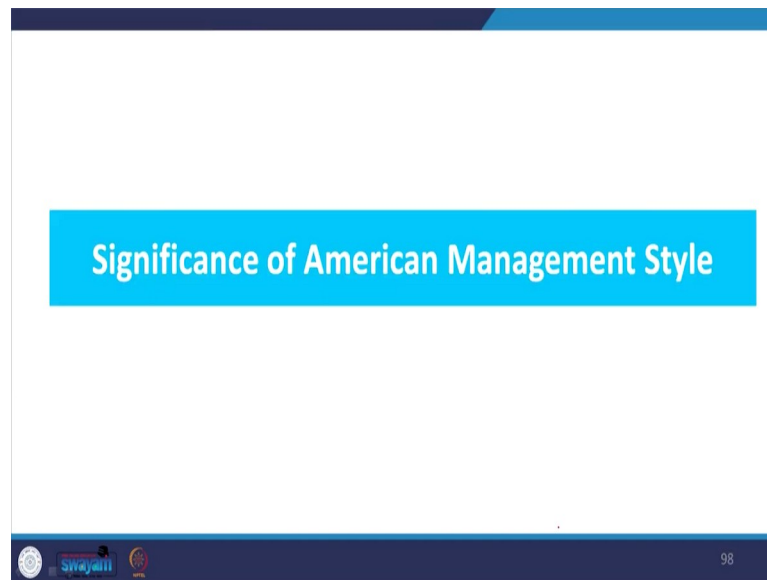
Managing people in India requires a level of micromanagement and many Western business people feel extremely uncomfortable in this style of management. So, what we wanted to say is when there is an international company or a global company with its operations in India, they must understand the Indian culture, the background, the context and the value system.

What is the business culture? The technology, research and development professionals and business managers have more avenue to succeed. Relations are not the only reasons for success. Management maturity: Strong project management skills and continues to invest in initiatives to strengthen middle management capabilities.

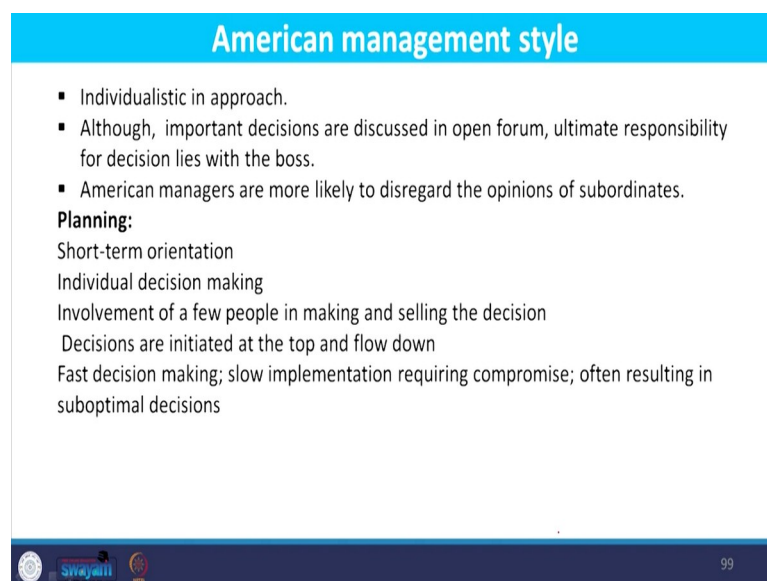
Structural empowerment: Cross functional teams analyzed individual performance employees for gain. Some Indian companies are providing it. And long-term orientation: the score rate was very high in India in terms of long-term orientation. Accelerated resource development: Identification of potential employees, training and development; thus strategy is very low to persuade by Indian companies.

Employee welfare emphasis, the time has changed now. Money is not the only motivator for performing aggressively, so Indian scored high rank to provide ample scope of enjoying leisure with family, there is focus on family orientation or the lifestyle, health insurance etcetera. Not money is only the motivating factor.

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Now, moving on from the Indian management style we will see how management style is being practiced in other countries specifically American management style. What is the significance of American management style? They are individualistic in approach. Important decisions are taken in open forum, ultimate responsibility for decision making lies with the person in authority.

American managers are likely to disregard the opinion of subordinates. That turn down the opinion of subordinates, there is more centralization. Planning is short-term,

individualistic decision-making, involve few people in making decisions and selling the decision, decisions are initiated at the top and they are thrust upon the people in the next level of hierarchy or there is a top-down approach.

Fast decision-making; slow implementation requires a little bit of compromise; often resulting in suboptimal decisions.

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**American management style**

**Planning:**  
Short-term orientation  
Individual decision making  
Involvement of a few people in making and selling the decision  
Decisions are initiated at the top and flow down  
Fast decision making; slow implementation requiring compromise; often resulting in suboptimal decisions

**Organizing:**  
Individual responsibility and accountability ☒ Clarity and specificity of decision responsibility ☒ Lack of common organization culture; identification with profession rather than with company

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**Organizing:** Individual responsibility and accountability, there is clarity and specificity of decision. Lack of common organizational culture; identification with professionalism rather than that with the company.

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**American management style**

**Staffing:**

- People hired out of schools and from the companies;
- frequent company change
- Rapid advancement highly desired and demanded
- Loyalty to the profession
- Appraisal of short-term employees
- Training and development undertaken with hesitation(employee go to another firm)

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Staffing decisions; people hired out of school and from the companies; frequent company change, there is a loyalty to the profession, rapid achievement, there is rapid advancement highly desired and demanded, appraisal of short-term employees, training and development undertaken with hesitation.

There is not much emphasis on training and development. Because the employees keep on hopping jobs keep on there is no concept of loyalty or long-term orientation.

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**American Management style**

**Leading:**

- Leader acts as decision maker
- Directive style(strong ,firm,determined)
- Often divergent values
- individualism sometimes hinders cooperation
- Face-to-face confrontation common
- emphasis on clarity
- Communication primarily top to down

**Controlling:**

- Control by superior
- Control focus on individual performance
- Fix blame
- Limited use of quality control circles

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Leading: acts as a leader, acts as a decision maker, directive style of leadership is adopted, strong firm willed deterministic and with divergent values, individual sometimes hinder cooperation.

There is too much of individualism and the managers do not change their management style of cooperation and coordination. Face-to-face confrontation is very common and there is least preference to ambiguity and more clarity is a sought after. Communication primarily is from top to down.

Control measures adopted by the managers controlling control by supervisor, control focus on individual performance, fix blame, limited use of quality control circles. Limited use of quality control techniques or circles. Then moving on to the Japanese management style.

What are what are the various factors significant to Japanese management style with reference to planning? Planning is long term orientation, there is collective decision-making with consensus orientation and involvement of many people in preparing and making decisions. Decisions flow from top to bottom and back, slow decision making, there is faster implementation, there is slow decision making and faster implementation of decisions.

Organizing collective responsibility and accountability, formal organizational structure, well known common organizational culture and philosophy, competitive spirit towards the towards other enterprises. With respect to staffing, young people are hired out of school and hardly there is any mobility of people among companies.

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**Japanese Management Style**

**Staffing:**

- Young people hired out of school
- hardly any mobility of people among companies ; Loyalty to the company
- Appraisal of long term performance
- Life time employment common in large companies

**Leading:**

- Leader acting as social facilitator and group member
- Common values facilitating cooperation
- Avoidance of confrontation, emphasies on harmony
- Bottom-top communication

**Controlling:**

- Control by peers
- Control focus on group performance
- Saving face
- Extensive use of quality control circles

Swajati 105

That means there is preference for a long-term orientation, long tenure in the company, loyalty to the commitment, loyalty to the company, involvement of employees or engagement of employees in the company for a long time. Appraisal is also on the basis of long-term performance.

People generally enjoy a lifetime employment common in large which is common in large companies. Leaders act as social facilitators and group members or group leaders, common values of facilitator, cooperation are being followed, avoidance of confrontation, people avoid confrontation; emphasis on harmony, trust building, group communication bottom to top communication.

The managers down the hierarchy provide decisions, they give voice their opinion to the top managers. However, top managers keep questioning, they take views and the final decision rests with the top management. Controlling control is by peers, focus on group performance, saving face, extensive use of quality control circles.



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### Japanese Management Style

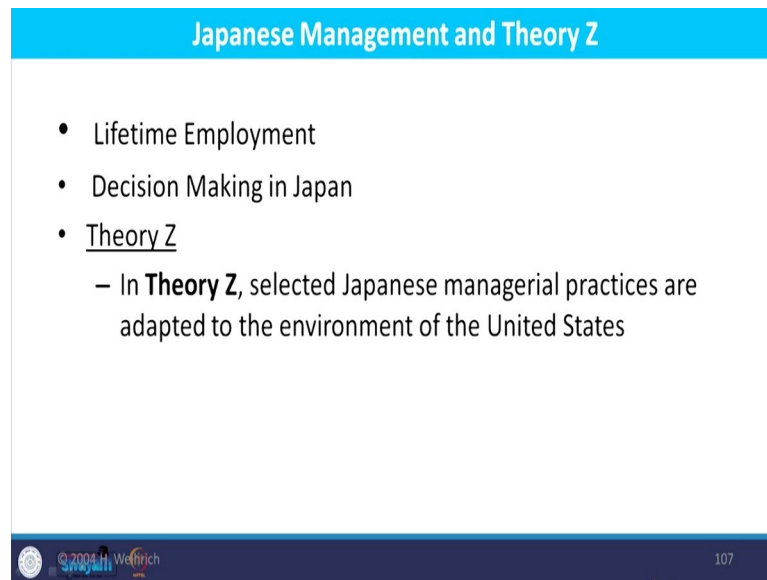
- Japanese management emphasizes the need for information to flow from the bottom of the company to the top.
- This results in senior management having a largely supervisory rather than hands-on approach. As a result, it has been noted that policy is often originated at the middle-levels of a company before being passed upwards for ratification. The strength of this approach is obviously that those tasked with the implementation of decisions have been actively involved in the shaping of policy. The higher a Japanese manager rises within an organization, the more important it is that he appears unassuming and lacking ambition. Individual personality and forcefulness are not seen as the prerequisites for effective leadership.
- The key task for a Japanese manager is to provide the environment in which the group can flourish. In order to achieve this he must be accessible at all times and willing to share knowledge within the group. In return for this open approach, he expects team members to keep him fully informed of developments. This reciprocity of relationship forms the basis of good management and teamwork.

Swajati 106

So, Japanese management style: Japanese management emphasizes the need of information to flow from bottom to top, bottom of the company to the top. This results in senior management having a largely supervisory rather than hands-on approach. As a result, it has been noted that the policy is often originated at the middle-level of the company before being passed upwards for ratification.

The strength of this approach is obviously that those tasked with the implementation of decisions have been actively involved in the shaping of policy. Japanese manager rises within an organization, the more important it is that he appears unassuming and lacking ambition. Individual personality and forcefulness are not seen as prerequisite for effective leadership.

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**Japanese Management and Theory Z**

- Lifetime Employment
- Decision Making in Japan
- Theory Z
  - In **Theory Z**, selected Japanese managerial practices are adapted to the environment of the United States

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So, Japanese management style emphasizes on lifetime employment, decision making, emphasis on Theory Z. Theory Z, selected Japanese managerial practice are adapted to the environment of United States. Theory Z was given by Ouchi, management practitioner named Ouchi who emphasized on relationship orientation, trust and people management.

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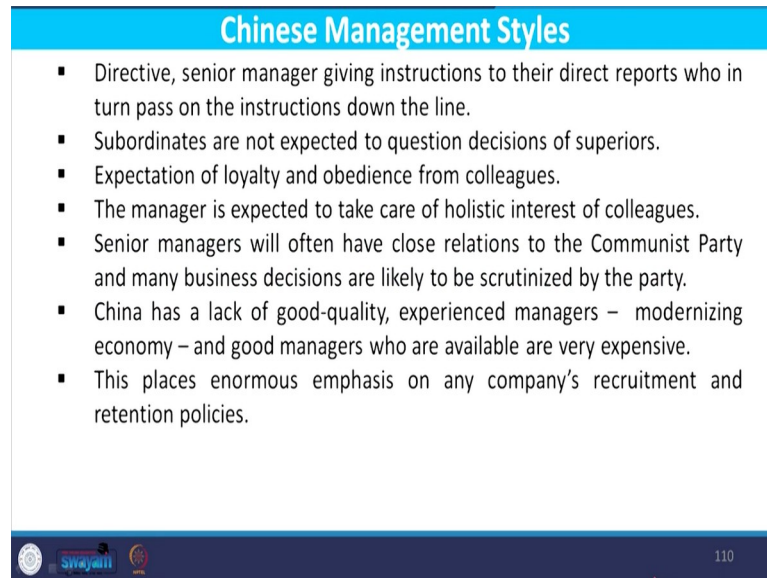


**Significance of Chinese Management Style**

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Now, I will discuss about the significance of Chinese management style. Chinese management style has emanated from the Chinese culture, people with a collectivistic background.

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**Chinese Management Styles**

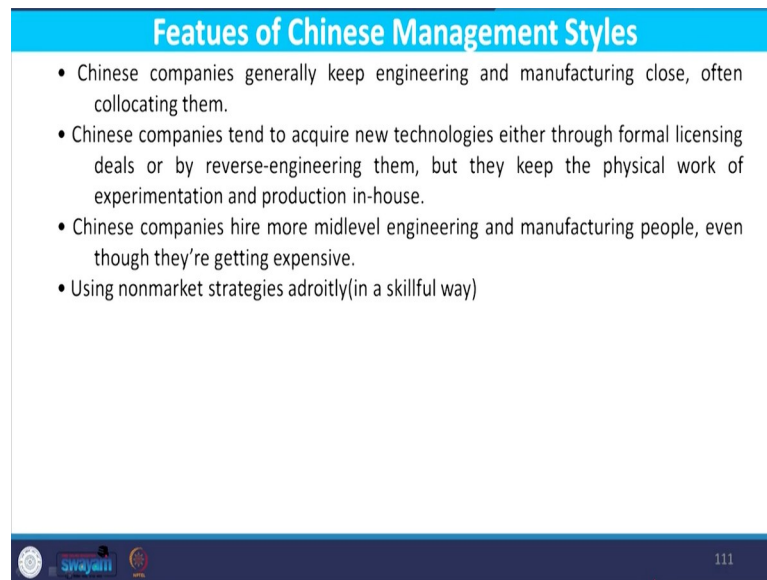
- Directive, senior manager giving instructions to their direct reports who in turn pass on the instructions down the line.
- Subordinates are not expected to question decisions of superiors.
- Expectation of loyalty and obedience from colleagues.
- The manager is expected to take care of holistic interest of colleagues.
- Senior managers will often have close relations to the Communist Party and many business decisions are likely to be scrutinized by the party.
- China has a lack of good-quality, experienced managers – modernizing economy – and good managers who are available are very expensive.
- This places enormous emphasis on any company's recruitment and retention policies.

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And I will specifically discuss about what are the significant features of the Chinese management style. Directive, senior managers give instructions to their direct reports. Subordinates are not expected to question decisions of superiors. Expectation of loyalty and obedience from colleagues. Manager is expected to take care of holistic interest of the colleagues. The senior managers will often have close relationship to the communist party.

China has a lack of good quality, experienced managers- modernizing economy- and good managers who are available and are very expensive.

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**Features of Chinese Management Styles**

- Chinese companies generally keep engineering and manufacturing close, often collocating them.
- Chinese companies tend to acquire new technologies either through formal licensing deals or by reverse-engineering them, but they keep the physical work of experimentation and production in-house.
- Chinese companies hire more midlevel engineering and manufacturing people, even though they're getting expensive.
- Using nonmarket strategies adroitly (in a skillful way)

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So, the places these factors place enormous emphasis on company's recruitment and retention policies. Significant features of Chinese management style. Chinese companies generally keep engineering and manufacturing closer, often collocating them. And Chinese companies tend to acquire new technology either through formal licensing deals or through reverse-engineering, but they keep the physical work of experimentation and production in-house.

Chinese companies hire middle level engineering and manufacturing people, even though they are getting very expensive. So, they are ready to procure they are ready to hire mid-level engineering and manufacturing talent from abroad.

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Specific Features of American, Japanese, and Indian Management Styles		
AMERICAN	JAPANESE	INDIAN
SHORT TERM ORIENTED	LONG TERM ORIENTED	BOTH SHORT TERM AND LONG TERM
DECISION FLOWS FROM TOP TO DOWN	DECISION FLOW FROM TOP TO BOTTOM AND SOMETIMES	HIGHEST RANKING OFFICIALS MAKE DECISION
DECISION MAKING SWIFT BUT IMPLEMENTATION SLOW	DECISION MAKING SLOW BUT IMPLEMENTATION FAST	AUTOCRATIC OR CONSULTATIVE
FORMAL BUREAUCRATIC ORGANISATIONAL STRUCTURE	INFORMAL ORGANISATIONAL STRUCTURE	MIGHT BE FORMAL OR INFORMAL
JOB NOT SECURED	LIFETIME EMPLOYMENT	LIFETIME EMPLOYMENT IN GOVERNMENT SECTOR AND PURE
LEADER ACT AS DECISION MAKER AND HEAD OF GROUP	LEADER ACT AS A GROUP MEMBER	CHARISMATIC LEADER
FOCUS ON INDIVIDUAL PERFORMANCE	FOCUS ON GROUP PERFORMANCE	MIGHT BE GROUP PERFORMANCE OR INDIVIDUAL PERFORMANCE

Using non market strategies and the specific features of American, Japanese, Indian management style. Looking at certain dimensions, Americans are short-term oriented, Japanese are long term oriented and Indians have both short and long term orientation. Decision making flows from top to bottom in the American style and decision-making flows from top to bottom.

In case of Japanese, decision-making flows from top to bottom and in Indian management style highest ranking officials make decisions; decision making is swift, but implementation is slow in American management style. Decision making is slow, but implementation is very fast in Japanese and autocratic or consultative management style in Indian management style then formal.

The American management style is very formal, bureaucratic; Japanese are informal and organizational are very informal, Indians might be formal or informal as per situations. Job is not secured in American management style in Americans and there is a concept of lifetime employment lifetime employment in Japan, lifetime employment in government sector in India.

So, there is a lifetime employment concept in Indian management style and leader acts as a decision maker in America. Leader acts as a group coordinator or a group member and India it is a charismatic leader, leader is a charismatic leader.

Focus on individual performance in America the focus is on group performance in Japan and in India, it can be a mix of group and individual performance. Might be group performance or individual performance at times. So, there are several points that we have discussed on the basis of which we can characterize the specific features and the differences across the management styles of America, Japan and India.

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**COMPARISON OF INDIAN, AMERICAN, JAPANESE & CHINESE MANGAEMENT STYLES**

**PLANNING**

INDIAN	AMERICAN	JAPANESE	CHINESE
Long term	Short Term	Long term	Long term and short term
Government/ authorised person make decisions	Individual Decision Making	Collective decision making	Decision making by the committees
Authorised person involvement	Few Involvement	Involvement of many people	Involvement of committees
Slow decision making	Fast decision making	Slow decision making	decision making slow
Slow implementation decision	slow implementation decision	fast implementation of the decision	implementation process also slow

Moving on next to the point of when we take one of the management functions like planning; how is the change or how what is the difference? Indians are long-term oriented in terms of planning, Americans have a short-term orientation, Japanese have long term orientation and Chinese have both long and short-term orientation.

Government authorized persons who make decisions in case of Indians and individual decision-making in America, collective decision making in China; in Japan decision making by the committees in Chinese; collective decision making in Japan. Authorized persons involvement: the person who has the position power or who is authorized is supposed to take decision and not anybody can be involved.

But whereas, in Americans there is few involvements of decision making and Japan has people's involvement or involvement by consensus, involvement by many people and in China it is involvement by committee and not a group of people. So, there is a group of individuals or committee who has been bestowed with power. Decision-making is slow

in India faster decision making in America and slow decision-making in Japanese, decision making is extremely slow in China.

Implementation of decisions if we take that aspect, we can see that implementation is very slow in India, America slow implementation of decisions, faster implementation of decision in Japan and implementation process is slow in China.

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STAFFING			
INDIAN	AMERICAN	JAPANESE	CHINESE
Mixed recruitment process	People hired out of schools and from the companies	Young people hired out of school	Skills based hiring
Life time employment common in large companies	frequent company change	Life time employment common in large companies	frequent company change
Slow advancement and highly desired	Rapid advancement highly desired and demanded	Rapid advancement	Rapid advancement
Loyalty to the company	Loyalty to the profession	Loyalty to the company	lack of loyalty to the company and profession
Lack of training and development undertaken	Training and development undertaken with hesitation	Training and development undertaken with confidence	Training and development undertaken with confidence

Staffing let us look at how staffing: these 4 countries are different from each other in terms of staffing. Mixed recruitment process in India. Mostly in America young people hired out of school. So, there is direct connect between the schools or the universities and the hiring.

Skill based hiring, in China emphasis is given on hiring people with requisite skills. Lifetime employment is common in large companies in India. Frequent company change or job hopping is prevalent in America and lifetime employment common in large companies in Japan and frequent company change in China.

So, there is a difference between the loyalty of employee to the employer. In India rapid advancement or rapid growth in career highly desired and demanded; rapid advancement of career and rapid advancement of career in case of Chinese and Japanese firms.

Loyalty to the company is high in India, loyalty to the profession is very high in America, loyalty to the company is high in Japan. Lack of loyalty to the company and

profession in China. Lack of training and development undertaken in India. Training and development undertaken with hesitation in America.

Training and development are undertaken with confidence in Japan and training is taken very seriously and with confidence in China.

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● ● ● CONTROLLING

INDIAN	AMERICAN	JAPANESE	CHINESE
Control by superior	Control by superior	Control by peers	Control by group leader (Superior)
Control focus on group performance	Control focus on individual performance	Control focus on group performance	Control individual performance
Fix blame	Fix blame	Saving face	Fix blame
Limited use of quality control circles	Limited use of quality control circles	Extensive use of quality control circles	Limited use of quality control circles

Let us discuss about controlling: how countries differ or how management styles of India, America, Japan and China differ with respect to controlling. Control is mostly by supervisor in India, controlled by supervisor in America whereas, peers control the activities or the assignments in Japan, control by group leader or superior in China.

Control focus on group performance, the focus of the control measures is group performance, control focus is on individual performance in America. The focus of control is on the group performance in Japan and control individual performance in China. The fixing of blames or shifting of blames is very high in India. Fix blame in American companies, face saving is high in Japanese and fixing blames is also prevalent in Chinese.

Limited use of quality control circles. Indian companies have adopted less of quality control measures. Limited use of quality control measures in America, Japanese use extensive use of quality circle or quality control measures. There is a limited use of quality control circles or quality circles in China.

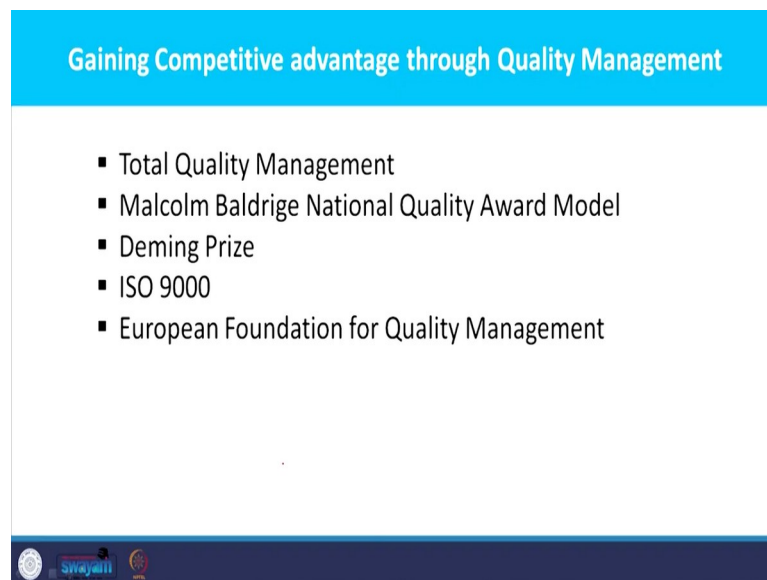


So, what we have concluded from this discussion is the Japanese firms have a preference for quality control measures and whereas, others have ignored.

As we all know that in global firms there are different types of products and a firm to be more competitive in the global market, the product needs to be robust. It should maintain quality in its products quality, in its processes. The quality emphasis can differentiate a company's product from the other.

So, to have a sustainable competitive advantage, the product should be robust. The company should adopt quality management practices. So, gaining competitive advantage through quality management.

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The slide features a blue header with the title "Gaining Competitive advantage through Quality Management". Below the header, a white box contains a bulleted list of quality management models. At the bottom of the slide, there is a dark blue footer with three logos: a circular logo on the left, the word "swajali" in the center, and a circular logo on the right.

- Total Quality Management
- Malcolm Baldrige National Quality Award Model
- Deming Prize
- ISO 9000
- European Foundation for Quality Management

We will discuss about certain important concepts of total quality management, Malcolm Baldrige National Quality Award Model, Deming's prize, ISO 9000 European foundation for quality management.

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**Gaining Competitive Advantage Through Quality Management**

**History of Quality**

- Early twentieth century saw F.W. Taylor's scientific management philosophy applied to production processes.
- Work was split into small jobs and workforce was trained to be master of those jobs.
- Cost of manufacturing was too high
- Defects were removed through inspection.
- These factors led to need of 'Quality Control' department.
- The upper management was assigned responsibility of quality of inspection.

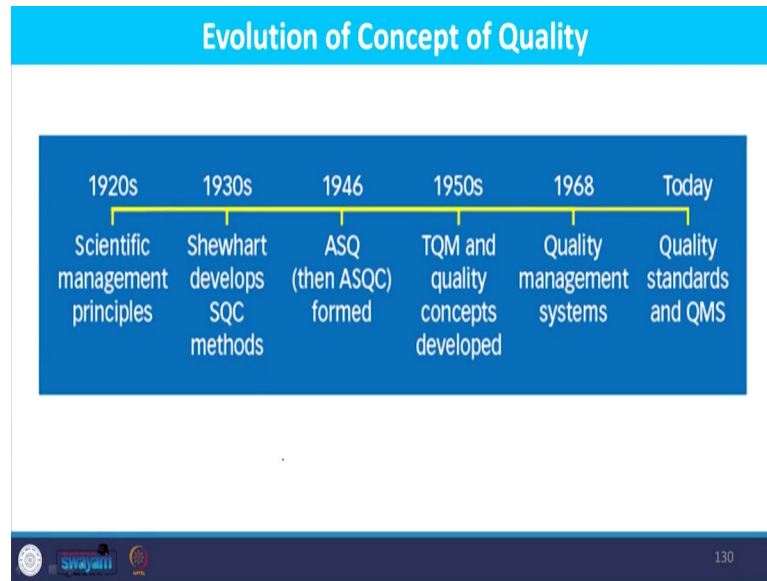
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How does a firm gain competitive advantage through quality management? I will go back to the background of history of quality; early 20th century saw Frederick Winslow Taylor's scientific management principles applied to the production processes. Work was split into small jobs and workforce was trained to be master of those jobs.

So, that led to work specialization and there were very less chances of error. A person became more specialized and in working on repeatedly on a on a task led to the mastery of the person. So, at that time was too high defects were removed through inspection and these factors led to the need for 'Quality Control' department. The factors led to the birth of a quality control concept.

The upper management was assigned responsibility of quality inspection; the top management viewed and they inspected the quality of the material used to the quality of the product the raw material and the processes.

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So, we will discuss about the evolution of concept of quality; 1920s when Frederick Winslow Taylor's management scientific principles of management was practiced. There the quality concept has evolved and further 1930s Shewhart develops Statistical Quality Control methods in 1930s.

Then 1946 then ASQ or called American Service Quality Concept, American Standards Statistical Quality concept was formed, 1950s Total Quality Management and quality concepts developed. In 1968 quality management systems evolved and today quality standards and Quality Management Systems are prevalent.

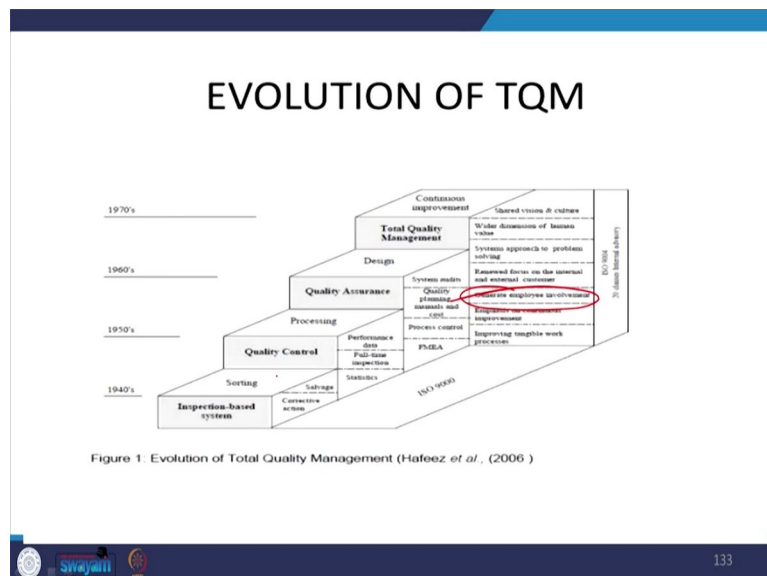
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So, if you discuss about or if we look back how it has transformed the quality concepts in the business world. 1924 the emphasis was on statistical process control charts and in 1930s the emphasis was on tables for acceptance sampling, 1940s statistical sampling techniques were adopted, 1950s quality assurance and Total Quality Concept.

1960s: the focus was on zero defect, quality assurance in services in 1970s. So, this has led to the revolution in the in manufacturing and services organizations quality concept has been developed and there is an evolution of the quality revolution.

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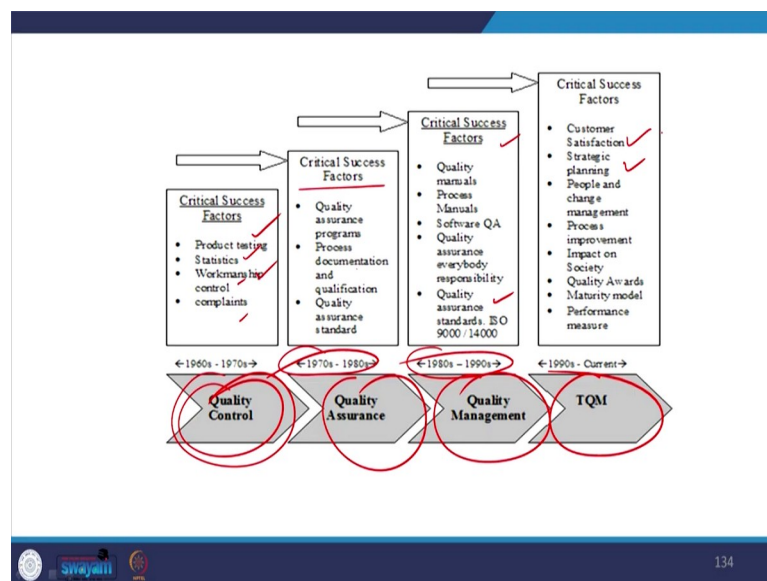


So, 1940s inspection-based system led to sorting out the corrected or sorting out the problems in the problems in manufacturing processes, then corrective actions are being taken. 1950s quality control: which is full time inspection performance data and processing of the data. 1960s: quality assurance which emphasized on systems quality design quality planning manuals and cost process control.

Total quality management emphasized on continuous improvement of quality. There is an emphasis on shared vision and quality culture. Wider dissemination of human values. A system or a holistic view of problem solving. Renewed focus on internal and external customers. Generate employee's involvement involve all employees.

It should not have a top-down or bottom-up approach, but involving employees in the processes. Explain the continuous improvement in the processes improve improving the work processes.

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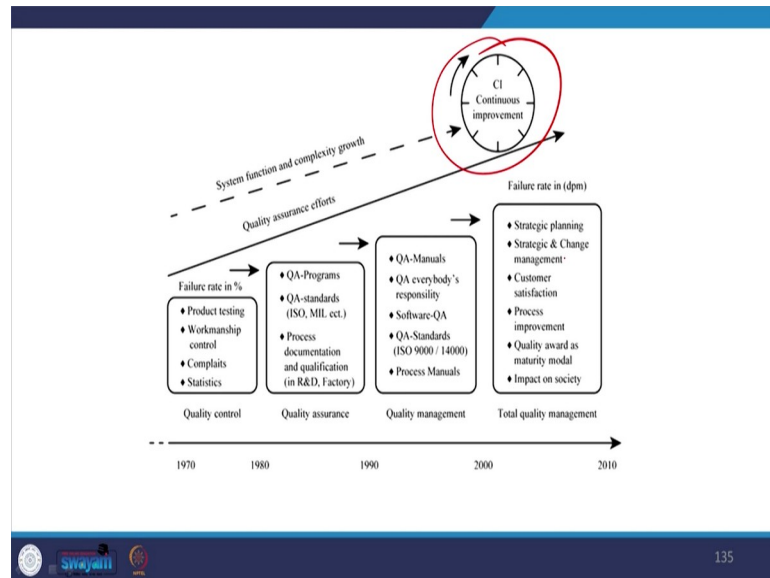
This also gave the evolution or of total quality management. What we will discuss broadly is quality control, quality assurance, quality management and total quality management and in which year it was given maximum emphasis. 1960s to 1970s the emphasis was on quality control. The critical success factors were product testing, statistics, workmanships, control and complaints.

In quality assurance, the critical success factors were quality assurance, programs quality assurance programs, process documentation, quality assurance standards and this year prevailed from 1970s to 80s the emphasis was on quality assurance.

Further in quality management where the 1980s to 1900s, the focus was on critical success factors like quality manuals, process manuals, quality assurance standards ISO 9000 to 14000 series quality assurance everybody is responsibility of everybody.

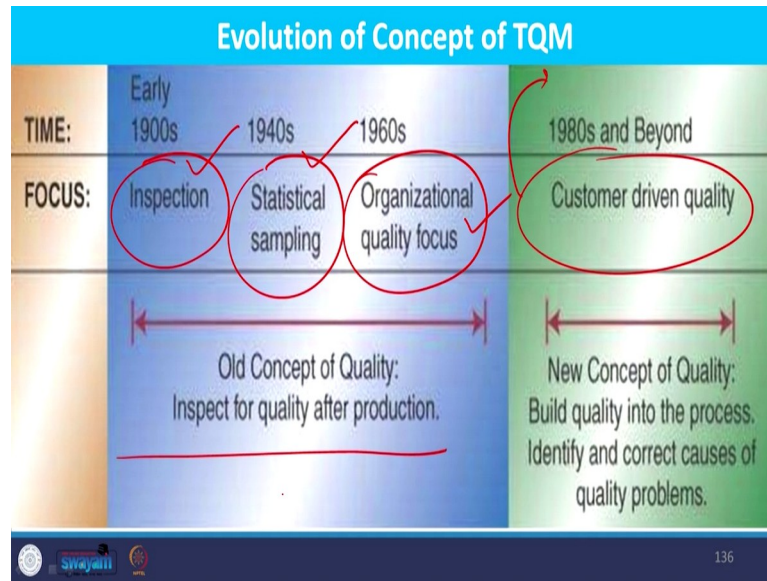
And in total quality management 1990s onwards to current date. Customer satisfaction, strategic planning people and change management, process improvement, quality award models, maturity models and performance measure were emphasized.

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So, we will discuss that 1970s to 2010 or 2021, this has moved on from quality control to assurance to quality management to total quality management. There is an emphasis on a continuous improvement of all processes and helped in reducing the defects in manufacturing process, defects in the various processes.

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Why there is a need for having quality in production services? Because there is competition in the global business market; there is lot of competition and companies have crossed geographical borders to make their products available in a common platform. So, if the products do not have fitness for use, if the products are not meeting the expectations of the customer, he has an option to choose competitors product.

So, the new concept of quality builds on causes of quality problems, not after the product has been manufactured; there should not be inspection after that, but quality is built in various processes of manufacturing.

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**TQM APPLICATION STAGES**

- Gain long-term senior management commitment
- Train members in quality methods
- Start quality improvement projects
- Measure progress
- Rewarding accomplishment

Cummings & Worley, Jr. (c)  
2008 South-Western/Cengage Learning 15-137

So, total quality management application stages are long term; commitment quality can only be ensured if there is commitment from senior management. Train members on quality methods. Start quality improvement projects there has to be various quality initiatives, quality improvement projects which can help in measuring the progress reward people for their accomplishments.

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**Deming's Quality Guidelines**

- Create a constancy of purpose
- Adopt a new philosophy
- End lowest cost purchasing practices
- Institute leadership
- Eliminate empty slogans
- Eliminate numerical quotas
- Institute on-the-job training
- Retrain vigorously
- Drive out fear
- Break down barriers between departments
- Take action to accomplish transformation
- Improve processes constantly and forever
- Cease dependence on mass inspection
- Remove barriers to pride in workmanship

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Then further we will discuss about the Deming's model of quality management create a consistency of purpose. So, before that I will just like to highlight that Deming, Joseph,

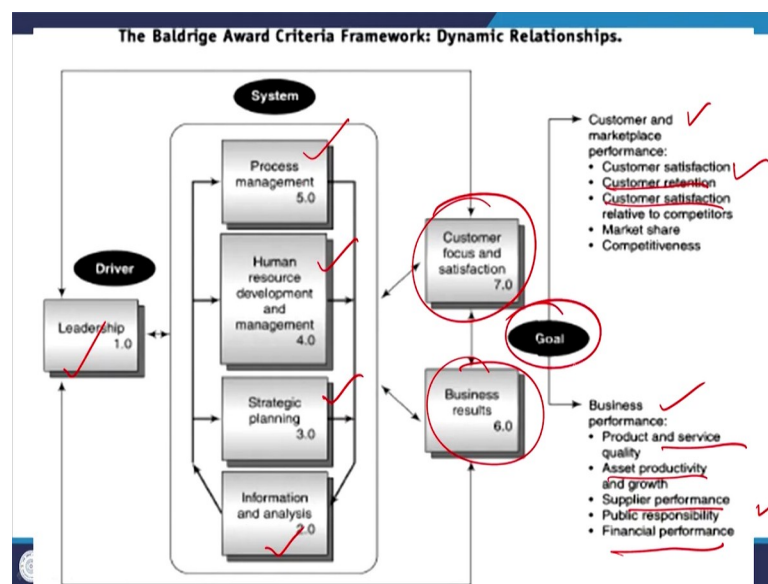


Juran, Ishikawa, Crosby; these are the people who were behind the quality revolution and with specific emphasis on Deming's quality guidelines Deming emphasized on creating a constancy of purpose adopt new philosophy and low-cost purchasing practices.

Institute leadership, eliminate empty slogans, eliminate numerical quotas institute on the job training and retrain vigorously. Training should be given emphasis.

So, there is less chance of failure, drive out fear, fear should be completely evaded, break down barriers between departments to be identified, take actions to accomplish transformation improve the processes continuously constantly and forever. Cease independence, cease dependence on mass inspection and remove barriers to pride in workmanship.

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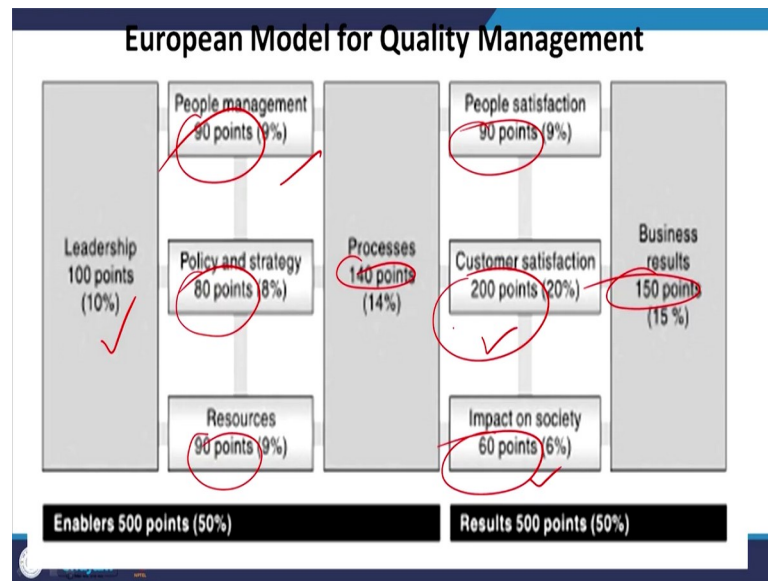
Moving further we will discuss about the European specific features of Malcolm Baldrige national quality award awards model the dynamic features of MB and QA. The driver of Malcolm Baldrige national quality award is leadership. If the leader can take initiative to drive the system with improving quality in the process, human resource development and management strategic planning and information systems.

So, the end result would be a focus on customer need and satisfaction and there would be increased emphasis on business result, business performance, product and services better

quality of product would be ensured and there would be higher productivity and growth supplier performance would increase and financial performance would be higher.

So, customer and marketplace performance there should be higher customer satisfaction, customer retention and satisfaction and more competitiveness of the company.

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Similarly, European model for quality management also ensures that there are quality award models which gives some kind of points to each of these parameters like leadership, process management, human resource development, strategic planning, information and analysis, customer focus and business results; the ultimate goal is to have higher performance and higher business results.

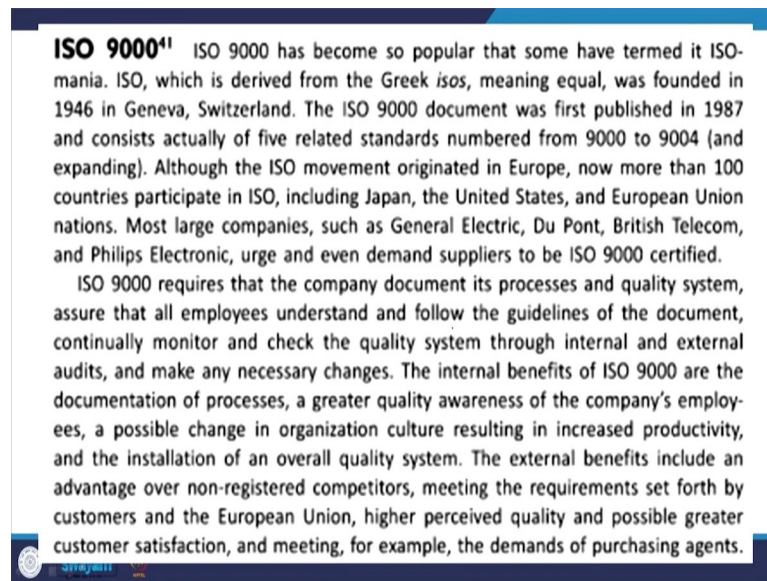
Similarly, there is European model for quality management; there the enabling points are 50 percent of weightage has been given to the enablers of the customer satisfaction or business results and 500 points or 50 percent of the point is given to the people satisfaction customer satisfaction impact on society and business results.

So, the leadership has been given 10 percent weightage or 100 points on a 1000-point grading system, people management which has been given 90 points or 9 percent weightage policy and strategy has been given 80 percent weightage resources are given 90 points processes are given 140 points, people satisfaction is given 90 points customer

satisfaction given highest weightage of 200 points and impact on society 60 points and business results have been given 150 points.

So, a company which is vying for European foundation for quality model or European foundation for quality assessment or European quality award model, they will be rated on these dimensions and the total weightage would be they are evaluated on a 1000-point marks and highest weightage is given to customer satisfaction.

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So, with this we further move on to the ISO 9000 concept. ISO 9000 has become a popular approach which has emanated from ISO that is international standards organization which derived from the Greek *isos* means equal was founded in 1946 in Geneva Switzerland. ISO 9000 document was first published in 87, 1987 and consists actually of 5 related standards numbered from 9000 to 9004 and the although the ISO movement originated in Europe.

Now, more than 100 countries participated in ISO movement most large companies such as General Electric, Du Pont, British Telecom, Philips Electronics, urge and even demand suppliers to be ISO 9000 certified. ISO requires that the company documents its processes and quality systems, assured that all employees understand and follow the guidelines of the document.

Continuously monitor check quality systems through internal and external audits and make any necessary change the internal benefit of ISO 9000 are documentation of processes, a greater quality awareness of the quality employees and a possible change in organizational culture is required resulting in increased productivity, and installation of an overall quality system.

The external benefits include an advantage over non-registered competitors, meeting the requirement set forth by customers and European Union, higher perceived quality and greater customer satisfaction.

We have discussed so far is: in a globally competitive business world, if the firm has to or if the organization has to be sustainable, there are some measures to remain competitive by having cost minimization or cost as a as an initiative cost or innovation and also quality as a measure to remain competitive.

In this section we have discussed about various initiatives the company can take to improve its product services and the quality in its various processes; with this I conclude this session here.

Thank you.